

Congress of the United States

Washington, DC 20515

February 23, 2005

The Honorable Mitt Romney
Commonwealth of Massachusetts
State House
Office of the Governor, Room 360
Boston, MA 02133

Dear Governor Romney:

We are writing to urge you to oppose a proposal by the Bush Administration to cut a program that has been vital to the economic development of cities and towns throughout Massachusetts. The President has proposed to cut funding for the Community Development Block Grant (CDBG) program by \$1.6 billion, and to move it from Department of Housing and Urban Development (HUD) to the Commerce Department. We believe this is likely to cause significant harm to the economic security of the Commonwealth.

As you know, the CDBG program, which was started in 1974, provides grant funds to communities for the purpose of assisting low-income residents. According to the U.S. Conference of Mayors (which, along with the League of Cities, the National Association of Counties, the National Association of Housing and Redevelopment Officials, the National Community Development Association, and the Local Initiatives Support Corporation, opposes this proposal), in FY 2004 159,703 households received housing assistance from CDBG. This included 11,000 new homeowners, and the rehabilitation of 19,000 rental housing units and 112,000 owner occupied homes.

As you know, CDBG does not just fund housing-related programs: More than 9 million persons were served by new or reconstructed public facilities and infrastructure, such as new or improved roads, fire stations, libraries, water and sewer systems, and centers for youth, seniors and persons with disabilities. More than 13 million persons received assistance from CDBG-funded public services such as employment training, child care, assistance to battered and abused spouses, transportation services, crime awareness, legal services, and services for seniors, the disabled, and youth. More than 90,000 jobs were created or retained with the use of CDBG funds. Furthermore, for every one dollar of CDBG funding, approximately \$2.79 in private funding was leveraged for economic development projects like shopping centers and grocery stores.

While the proposed cuts to the CDBG program would adversely impact all of its functions, we are concerned that the housing-related activities would be disproportionately impacted. In fact, the proposal would prevent housing-related activities from being eligible for the funds in the first place. In contrast, last year, \$1.16 billion of CDBG funds were used to fund housing-related activities, and we expect therefore that of the \$1.6 billion in proposed cuts, \$1.16 billion is intended to represent the elimination of these programs. Moreover, the proposal also limits funding to only the most distressed communities, which would effectively abandon efforts

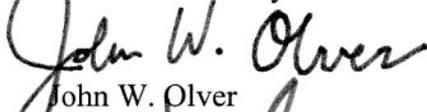
to help the millions of low-income persons living in middle income and higher income communities.

In May 2003, you stated that the \$60 million in HUD funding received by Massachusetts, \$40 million of which was awarded through the CDBG program, would "go a long way toward spurring economic development, revitalizing our neighborhoods and providing housing opportunities to families who need them the most across our Commonwealth¹". We agree. We also believe, however, that cuts to and major changes in the administration of this important program would cripple its ability to continue to perform these vital functions. We ask that you strongly oppose this proposal, and in addition, that you provide us with an assessment of how it would impact the Commonwealth of Massachusetts. Thank you very much for your assistance in this important matter.

Sincerely,



Edward J. Markey



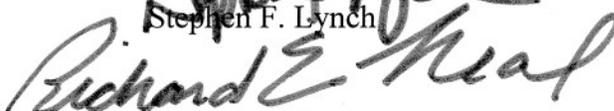
John W. Olver



James McGovern



Stephen F. Lynch



Richard E. Neal



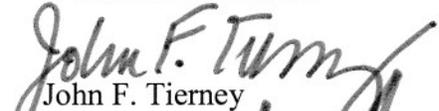
Barney Frank



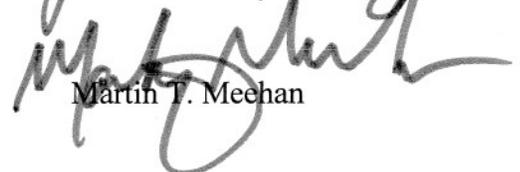
Michael E. Capuano



William D. Delahunt



John F. Tierney



Martin T. Meehan

¹ <http://www.hud.gov/local/ma/library/archives/localnews/pr2003-05-15.cfm>